



California Public Employees' Retirement System
Executive Office
P.O. Box 942701
Sacramento, CA 94229-2701
TTY: (916) 795-3240
(916) 795-3825 phone • (916) 795-3410 fax
www.calpers.ca.gov

Agenda Item 16

March 16, 2011

TO: MEMBERS OF THE BOARD OF ADMINISTRATION

- I. **SUBJECT:** Organizational Structure and Processes Initiative Update
- II. **PROGRAM:** Various
- III. **RECOMMENDATION:** Information Only
- IV. **ANALYSIS:**

The purpose of this agenda item is to provide an overview and current status of the Organizational Structure and Processes Initiative's (Initiative) efforts.

Over the past month, our efforts have focused on finalizing the details of the organizational structure and working with staff to create an implementation plan to transition to the new structure. Most reporting lines for the new structure will become active in April with a few groups and functions transitioning over time.

To ensure we reach the aspirations and meet the commitments of the Initiative, we have selected metrics to monitor both short-term progress and long-term performance. Today we will share the short-term progress metrics and how the project has been tracking against them over time. We are currently on target to complete the short-term goals and finish the work of the initiative on schedule.

We are incorporating the long-term performance metrics into the CalPERS 2011-2012 Business Plan and will share those metrics with the Board of Administration (Board) in April. In addition to the performance metrics, we are developing efficiency targets based on the projected staffing needs of the organization. We are basing the efficiency targets on benchmarks of other similar organizations and the efficiency gains expected in the new organizational structure.

In response to the request from the Board at the January offsite, we have researched the Board's relationship with Direct Reports including the history of these positions, how current practice differs from policy, and recommendations for improvement. We will share our findings with the Board in a report at this meeting.

V. STRATEGIC PLAN:

This agenda item supports:

- Strategic Plan Goal III – Sustain a high performance work culture utilizing staff development, technology, and innovative leadership and management strategies.
- Strategic Plan Goal VI – Administer pension benefit services in a customer oriented and cost effective manner.

VI. RESULTS/COSTS:

N/A

RUSSELL G. FONG
Interim Assistant Executive Officer
Administrative Services Branch

DONNA RAMEL LUM
Assistant Executive Officer
Member and Benefit Services Branch

STEPHEN W. KESSLER
Deputy Executive Officer, Operations